

Guide for Study-Only SRF Projects



S.C. Department of Environmental Services

This guide outlines the process for implementing study-only projects that are funded by the SC Clean Water (CW) and Drinking Water (DW) State Revolving Fund (SRF) programs. Study-only projects are wastewater, stormwater or drinking water projects where the CWSRF or DWSRF is funding only study activities and no construction activities will be funded as part of the project. Studies may include, but are not limited to, sewer system evaluations, leak detection studies, accessing treatment technologies, evaluating stormwater management options, and evaluating opportunities for system partnerships or regionalization. Because the types of studies and scope of the studies will vary, this guide provides a general outline of the process. The project sponsor and their engineer should work closely with the SCDES SRF project manager assigned to the project to initiate, design, and implement the project.

1) Project Initiation

The project sponsor or engineer will submit a CWSRF Project Questionnaire (DES 3561)* or DWSRF Project Questionnaire (DES 3463)* to SCDES. The project sponsor must submit a *Utility Sustainability Assessment Form* (DES 0574)* and be deemed sustainable prior to receiving SRF funding. Projects will be identified for funding by an Intended Use Plan. SCDES SRF staff will notify the study-only sponsor that their project has been identified for CWSRF or DWSRF funding and identify the SCDES SRF project manager for the project. The SCDES SRF project manager will contact the project sponsor and/or the sponsor's engineer to request a detailed scope of work, a detailed cost estimate and a project schedule.

2) SRF Loan Application and Completion

The SCDES SRF project manager will coordinate with the sponsor, the sponsor's consultant, and SRF staff with the SC Rural Infrastructure Authority (RIA) to prepare the Loan Agreement (LA - regular loan projects) or Loan Assistance Agreement (LAA - principal forgiveness projects). RIA staff will contact the sponsor about the bond ordinance or resolution that needs to be approved by the sponsor's governing body (e.g., town council, utility board, etc.). Once the bond ordinance or resolution is finalized, RIA staff will work with the sponsor to complete the LA or LAA.

3) Conduct study

The study will be consistent with the scope of work described in the Project Questionnaire and conducted in consultation with the SCDES SRF project manager.

4) Disbursements

The State Revolving Fund disbursements are reimbursements for expenditures by the sponsor. Because a study-only project does not have costs associated with construction, the sponsor can request SRF reimbursement by submitting an SRF draw request for eligible project costs once the LA

or LAA has been signed and eligible costs have been incurred. SRF draw requests, with supporting documentation, are submitted to SCDES for review and approval. Once the SRF draw request has been approved, reimbursements are issued to the sponsor by the SC Office of the State Treasurer through RIA. Costs associated with draw request preparation also are reimbursable through the SRF.

Prior to processing the first draw request, the sponsor must designate and authorize the individuals that will be responsible for administration of the LA or LAA and processing draw requests (reimbursement). The names of the designated individuals must be provided in writing on the *Official Designation and Signature Form* (DES 3586)*. Execute two original forms and supply one to SCDES and the other to RIA.

- Designate a “Sponsor Representative” to attend to disbursements, payments and other matters pertaining to administration of the LA or LAA. This individual must be an official or employee of the project sponsor.
- Identify and provide signatures of the two persons authorized to sign draw requests. These two individuals should be the designated Sponsor Representative and the project engineer.

Draw requests must be submitted on the appropriate SCDES form:

- 1) *Draw Request Form — Loan* (DES 3585)*; and,
- 2) *Draw Request Form — Principal Forgiveness* (DES 2560)*.

Draw requests shall include no less than one month of incurred costs and shall not be submitted more often than once per month. First and interim draw requests shall be for a minimum of \$5,000. This minimum does not apply to final draw requests.

The final draw request and disbursement for the study-only project will be processed once the Engineering Report has been submitted to SCDES and approved by the SCDES SRF project manager.

See appropriate Disbursement Package at des.sc.gov/SRFguidance for more detailed guidance.

5) Engineering Report

The findings of the study and recommendations for system improvements based on the study must be submitted to SCDES in an Engineering Report. The Engineering Report must be signed by a South Carolina Registered Professional Engineer.

The report should include, at a minimum, the following:

- a) an introduction describing the purpose and scope of the study;
- b) a discussion of the investigation methods used and the data collection process;
- c) a map showing the study area;

- d) the study findings including data summary tables, maps showing areas needing future work, etc.;
- e) recommendations for system improvements based on the study findings (if significant work is needed for the system, it may be appropriate to separate the work into phases);
- f) a cost estimate to complete the recommended work to aid the sponsor with future planning and funding efforts (give a cost estimate for each phase of work, if appropriate); and
- g) an appendix of the test results, if appropriate (e.g., smoke testing results, manhole inspection results, CCTV assessment results).

***SCDES forms referenced in this document can be found at: des.sc.gov/SRFforms.**



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